| | TH CONGRESS 1ST SESSION S. |
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| | To amend the Internal Revenue Code of 1986 to improve the historic rehabilitation tax credit, and for other purposes. |
| | IN THE SENATE OF THE UNITED STATES |
| Mr. | CARDIN (for himself, Mr. CASSIDY, Ms. CANTWELL, and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on |
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| the 1 2 3 4 | To amend the Internal Revenue Code of 1986 to improve thistoric rehabilitation tax credit, and for other purposes. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE. This Act may be cited as the "Historic Tax Credit" |
| the 1 2 3 4 5 | To amend the Internal Revenue Code of 1986 to improve thistoric rehabilitation tax credit, and for other purposes. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE. This Act may be cited as the "Historic Tax Credit Growth and Opportunity Act of 2023". |

9 enue Code of 1986 is amended by adding at the end the

10 following new subsection:

| 1 | (e) SPECIAL RULE REGARDING CERTAIN SMALL |
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| 2 | Projects.— |
| 3 | "(1) IN GENERAL.—In the case of any qualified |
| 4 | rehabilitated building or portion thereof— |
| 5 | "(A) which is placed in service after the |
| 6 | date of the enactment of this subsection, and |
| 7 | "(B) which is a small project, |
| 8 | subsection (a)(2) shall be applied by substituting '30 |
| 9 | percent' for '20 percent'. |
| 10 | "(2) MAXIMUM CREDIT.—The credit under this |
| 11 | section (after application of this subsection) with re- |
| 12 | spect to any project for all taxable years shall not |
| 13 | exceed \$750,000. |
| 14 | "(3) Small project.— |
| 15 | "(A) In general.—For purposes of this |
| 16 | subsection, the term 'small project' means any |
| 17 | certified historic structure or portion thereof |
| 18 | if— |
| 19 | "(i) the total qualified rehabilitation |
| 20 | expenditures taken into account for pur- |
| 21 | poses of this section with respect to the re- |
| 22 | habilitation do not exceed \$3,750,000, and |
| 23 | "(ii) no credit was allowed under this |
| 24 | section for either of the two immediately |

| 1 | preceding taxable years with respect to |
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| 2 | such building. |
| 3 | "(B) Progress expenditures.—Credit |
| 4 | allowable by reason of subsection (d) shall not |
| 5 | be taken into account under subparagraph |
| 6 | (A)(ii).". |
| 7 | (b) Effective Date.—The amendment made by |
| 8 | this section shall apply to periods after the date of the |
| 9 | enactment of this Act, under rules similar to the rules of |
| 10 | section 48(m) of the Internal Revenue Code of 1986 (as |
| 11 | in effect on the day before the date of the enactment of |
| 12 | the Revenue Reconciliation Act of 1990). |
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| 13 | SEC. 3. INCREASING THE TYPE OF BUILDINGS ELIGIBLE |
| 1314 | SEC. 3. INCREASING THE TYPE OF BUILDINGS ELIGIBLE FOR REHABILITATION. |
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| 14 | FOR REHABILITATION. |
| 141516 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the |
| 141516 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting |
| 14151617 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting "50 percent of" before "the adjusted basis". |
| 14 15 16 17 18 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting "50 percent of" before "the adjusted basis". (b) Effective Date.—The amendment made by |
| 141516171819 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting "50 percent of" before "the adjusted basis". (b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after |
| 14 15 16 17 18 19 20 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting "50 percent of" before "the adjusted basis". (b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2022. |
| 14 15 16 17 18 19 20 21 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting "50 percent of" before "the adjusted basis". (b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2022. SEC. 4. ELIMINATION OF REHABILITATION CREDIT BASIS |
| 14 15 16 17 18 19 20 21 22 | FOR REHABILITATION. (a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting "50 percent of" before "the adjusted basis". (b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2022. SEC. 4. ELIMINATION OF REHABILITATION CREDIT BASIS ADJUSTMENT. |

| 1 | "(6) Exception for rehabilitation cred- |
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| 2 | IT.—In the case of the rehabilitation credit, para- |
| 3 | graph (1) shall not apply.". |
| 4 | (b) Treatment in Case of Credit Allowed to |
| 5 | Lessee.—Section 50(d) of such Code is amended by add- |
| 6 | ing at the end the following: "In the case of the rehabilita- |
| 7 | tion credit, paragraph (5)(B) of the section 48(d) referred |
| 8 | to in paragraph (5) of this subsection shall not apply.". |
| 9 | (c) Effective Date.—The amendments made by |
| 10 | this section shall apply to property placed in service after |
| 11 | the date of the enactment of this Act. |
| 12 | SEC. 5. MODIFICATIONS REGARDING CERTAIN TAX-EXEMPT |
| 10 | LICE DDODEDWY |
| 13 | USE PROPERTY. |
| 13 14 | (a) In General.—Section $47(c)(2)(B)(v)$ of the In- |
| | |
| 14 | (a) In General.—Section $47(c)(2)(B)(v)$ of the In- |
| 14 15 | (a) In General.—Section 47(c)(2)(B)(v) of the Internal Revenue Code of 1986 is amended by adding at the |
| 141516 | (a) IN GENERAL.—Section 47(c)(2)(B)(v) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subclause: |
| 14151617 | (a) In General.—Section 47(c)(2)(B)(v) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subclause: "(III) DISQUALIFIED LEASE |
| 14 15 16 17 18 | (a) In General.—Section $47(c)(2)(B)(v)$ of the Internal Revenue Code of 1986 is amended by adding at the end the following new subclause: "(III) DISQUALIFIED LEASE RULES TO APPLY ONLY IN CASE OF |
| 141516171819 | (a) In General.—Section $47(c)(2)(B)(v)$ of the Internal Revenue Code of 1986 is amended by adding at the end the following new subclause: "(III) DISQUALIFIED LEASE RULES TO APPLY ONLY IN CASE OF GOVERNMENT ENTITY.—For purposes |
| 14 15 16 17 18 19 20 | (a) In General.—Section $47(c)(2)(B)(v)$ of the Internal Revenue Code of 1986 is amended by adding at the end the following new subclause: "(III) DISQUALIFIED LEASE RULES TO APPLY ONLY IN CASE OF GOVERNMENT ENTITY.—For purposes of subclause (I), except in the case of |
| 1415161718192021 | (a) In General.—Section 47(c)(2)(B)(v) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subclause: "(III) DISQUALIFIED LEASE RULES TO APPLY ONLY IN CASE OF GOVERNMENT ENTITY.—For purposes of subclause (I), except in the case of a tax-exempt entity described in sec- |
| 14 15 16 17 18 19 20 21 22 | (a) In General.—Section 47(c)(2)(B)(v) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subclause: "(III) DISQUALIFIED LEASE RULES TO APPLY ONLY IN CASE OF GOVERNMENT ENTITY.—For purposes of subclause (I), except in the case of a tax-exempt entity described in section 168(h)(2)(A)(i), the determina- |

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| 1 | the property is leased in a disqualified |
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| 2 | lease (as defined in section |
| 3 | 168(h)(1)(B)(ii)).". |
| 4 | (b) Effective Date.—The amendments made by |
| 5 | this section shall apply to property placed in service after |
| 6 | the date of the enactment of this Act. |